

GENERAL INCREASE BULLETIN NO. 4 / 21

Club – Steamship

28th October 2021

P&I Mutual entries

- A +12.5% General Increase on expiring premiums
- A +10% increase in Class 1 P&I deductibles to apply to all deductibles which are US\$ 100,000 or less.

FDD Mutual entries

- A +12.5% General Increase on expiring premiums

The recent Board meeting has concluded by setting a +12.5% general increase to be applied on expiring P&I and FDD mutual premiums at 20th February 2022. In addition, rates will be adjusted to reflect any changes in the cost of the International Group reinsurance programme. Members with adverse records will in addition have rates and terms increased to reflect as appropriate record and/or risk exposure.

The club renewal circular sets out the main highlights from the clubs operating environment which were considered when deciding the general increase requirements,

Claims from Covid have continued through this policy year (2021/22) but with lower severity; so the impact is less than in the previous year.

Whilst the number of International Group (IG) Pool claims in 2021/22 is lower compared to the previous year, severity is significantly greater.

The Club's own retained claims for the year are higher than originally projected.

The 2021/22 financial year combined ratio is again expected to be over 100%.

Investment returns are lower than last year, but nevertheless currently projected to remain well in surplus at year end.

The Club's Standard & Poor's (S&P) rating has been reaffirmed at A, but with a negative outlook which the agency attributes to exceptionally high levels of IG pool claims.

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